European Central Bank ECB: further calls of foreign reserve assets

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PURPOSE : European Central Bank Recommendation for a Council Regulation concerning further calls of foreign reserve assets by the European Central Bank (ECB). CONTENT : The measure stipulates that : - The ECB may effect further calls of foreign reserve assets from national central banks beyond the limit set in Article 30.1 of the Statute of the European System of Central Banks and of the European Central Bank (the Statute). The calls may be up to an additional 50,000 million euros, in case of need for such foreign reserve assets. The draft regulation merely sets a ceiling on the amount of foreign reserve assets, rather than stipulating specific conditions. This is intended to enhance the independence of the ECB and the convenience to provide flexibility for different scenarios. The ceiling may be increased later, depending on the needs of the ECB. - The central bank of a Member State whose derogation has been abrogated, or which is treated on the same basis as such a bank, shall transfer to the ECB a sum of foreign reserve assets. The amount will be determined by multiplying the euro value at current exchange rates of the foreign reserve assets which have already been transferred to the ECB, by the ratio between the number of shares subscribed by the relevant central bank and the number of shares already paid up by the other national central banks.